

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
November 3, 2014**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on November 3, 2014.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Johnson, Quigley, Wickstrom and Withhart.

APPROVAL OF AGENDA

City Manager Schwerm noted additional information provided for item No. 14, General Obligation Refunding Bonds, 2014A that were sold this date.

Additional attachments have been provided for item No. 17 regarding the Cable Television Franchise Ordinance Amendment

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve the November 3, 2014 agenda as submitted.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

Mr. Cory Springhorn, 137 Dennison Avenue, Co-Chair of the Shoreview Human Rights Commission, invited all to attend the Community Dialogue on Bullying being hosted Thursday, November 6, 2014, at the Community Center, at 6:30 p.m. Guest speakers include Tim Turner from Northeast Youth and Family Services; John Ward, Mounds View School District; Lynn Cruz, Boston Scientific; and Hunter Sargeant from the ARC of Minnesota. Discussion will cover causes of bullying, bullying in the schools, the workplace and bullying from the perspective of a person with disabilities. A light dinner will be provided. It is appreciated if those planning to attend call and register.

COUNCIL COMMENTS**Mayor Martin:**

Tuesday, November 4, 2014 is Election Day and all are encouraged to vote.

There will be a Dive-In Movie on Friday, November 14, 2014.

On Tuesday, November 11, 2014, City offices will be closed for Veterans' Day.

Councilmember Johnson:

Tuesday, December 4, 2014, all are invited to the Shoreview Community Foundation Evening with Friends. A social will begin at 5:00 p.m.; the program is at 7:00 p.m. This year's theme is on the history of Shoreview. Further details are on the City website.

Councilmember Quigley:

Noted the large number of absentee voters and asked if there were numbers to report. City Manager Schwerm stated that as of Friday, October 31, 2014, there were over 1500 votes cast. With the mail on Saturday and Monday, he estimated about 2000 absentee voters.

Councilmember Withhart:

On Thursday, November 6, 2014, the Economic Development Authority (EDA) and Economic Development Commission (EDC) are sponsoring a Small Business Workshop on media and marketing. The program will be from 7:30 to 9:00 a.m. at the Community Center.

At 3:30 on Thursday, November 6, 2014, Hummingbird Floral will have a ribbon cutting ceremony after which there will be an Open House. All are encouraged to support this event.

Councilmember Wickstrom:

The Holiday Concert presented by the Shoreview Northern Lights Variety Band will be Saturday, December 13, 2014, at 7:00 p.m., at Benson Great Hall at Bethel University. Tickets are a little cheaper if purchased ahead and can be purchased at City Hall.

Councilmember Wickstrom presented a gift from Einhausen, Germany. A group visited Shoreview last week and presented the City with a picture of the rooster sent last year by the Sister City Association. The rooster, the mascot of Einhausen, stands at the town entrance. The next trip to Einhausen will be next summer. The band will be going on that trip.

CONSENT AGENDA

The October 20, 2014 City Council Meeting Minutes were pulled for a separate vote.

Councilmember Wickstrom noted a correction to the October 20, 2014, City Council Minutes, which should state that the Holiday Concert begins at 7:00 p.m., not 7:30 p.m. as stated under Councilmember Wickstrom's comments.

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to adopt the Consent Agenda for November 3, 2014, and all relevant resolutions for item No. 1 and Nos. 3 through 13:

1. October 13, 2014 City Council Special Workshop Meeting Minutes
3. Receipt of Committee/Commission Minutes:
 - Environmental Quality Committee, October 27, 2014
 - Human Rights Commission, October 22, 2014
 - Economic Development Commission Minutes, October 21, 2014
4. Verified Claims in the Amount of \$831,170.80
5. Purchases
6. Developer Escrow Reduction
7. Application to Conduct a Raffle at the Taste of Shoreview on February 19, 2015
8. Renewal of Insurance Agent Contract
9. Renewal of External Audit Contract with MMKR
10. Conditional Use Permit - George and Justine Greene, 5875 Kitkerry Court South
11. Approve a Change Order for Community Center movable wall Repair and Refurbishment Project
12. Adopting an Ordinance Revising Community Center Rates for 2015
13. Award of 2015 Dental Insurance

VOTE: Ayes - 5 Nays - 0

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve item No. 2 of the Consent Agenda, the October 20, 2014 City Council Meeting Minutes as corrected.

VOTE: Ayes - 4 Nays - 0 Abstain - 1 (Johnson)

Councilmember Johnson abstained as she was not present at the October 20th meeting.

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS PROVIDING FOR THE PAYMENT OF \$6,980,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014A

Presentation by Finance Director Fred Espe

One bond is being issued to refund two Build America Bonds issued in 2010. The Build America Bonds were structured so that the federal government would pay 35% of the interest. However, because of sequestration, the federal government payments have been lower than originally promised. The debt is being refunded for interest cost savings and to eliminate the risk of non-payment of the Federal Build America Bond interest subsidy, which has already been reduced by 7.3%.

The City Council authorized refunding the Build America Bonds on September 15, 2014. A bond rating conference was held with Standard & Poor's on October 24, 2014, when the City's AAA rating was reaffirmed. Comments from Standard & Poor's base the City's AAA rating on the following characteristics found in the City's financial management:

- Very strong economy in the Twin City area
- Very strong budgetary flexibility
- Strong budgetary performance
- Very strong liquidity
- Very strong management
- Strong debt and contingent liability position

Eight bids were received at Springsted, Inc. for Council consideration. The low bid was submitted by Stifel, Nicolaus & Co., Inc. The interest cost of 2.283% is below the Springsted estimate of 2.347%, which will result in a savings of \$364,037. The principal amount of the issue is reduced by \$300,000 to \$6,680,000, as a result of the lower interest rate. Staff is recommending award of the bid to the low bidder.

Mayor Martin stated that this great news speaks to the excellent financial policies the City has always implemented. She emphasized that the taxpayer savings is more than \$300,000.

Ms. Terri Heaton, Springsted, Inc., commended staff for being able to do all the work necessary for this bond issue while the interest rates are still falling. The City's rating speaks to the excellent financial management policies used every day.

Mayor Martin asked if the bidding is done nationally or locally. **Ms. Heaton** responded that the bidding process is national. The low bidder, Stifel, Nicolaus & Co., Inc. is a national firm.

MOTION: by Councilmember Johnson, seconded by Councilmember Withhart to adopt proposed resolution #14-97 authorizing issuance, awarding sale, prescribing the form and details and providing for the payment of \$6,680,000 general obligation refunding bonds, Series 2014A.

ROLL CALL: Ayes: Johnson, Quigley, Wickstrom, Withhart, Martin
Nays: None

PRELIMINARY PLAT/PLANNED UNIT DEVELOPMENT - LEXINGTON ESTATES II TOWNHOME ASSOCIATION

Presentation by City Planner Kathleen Castle

This application requests an amendment to the Planned Unit Development for common areas of Lexington Estates II be re-platted to dedicate Royal Court as a public street with some setback reductions. The PUD was approved in 1981, known as Serene Hills. Private streets were permitted but built to public street standards at the time and comply with the Fire Code for emergency vehicle access and turnaround. The townhome association has managed maintenance of roadway.

Public utilities are located beneath the roadway, and drainage and utility easements have been conveyed to the City. The criteria for converting private streets to public roads include: 1) the street can function as a public street; 2) the street is built to City standards; and 3) re-platting is required to provide dedicated public right-of-ways. The right-of-way varies in width from 25 to 50 feet because of public parking areas. The structure setbacks from the new right-of-way would range from 21 to 25 feet.

The request has been reviewed by the Public Works Director who has determined that Royal Court can be maintained as a public street. Royal Court complies with the criteria in the City's policies. It is noted that a portion of the roadway is on Hill Court property immediately to the north, which is owned by a different Homeowners Association, Lexington Estates Association. That association has agreed to convey an easement to the City for public road purposes. There are two structures in Hill Court that will be within 10 feet of the proposed easement. Public Works staff has determined that a public roadway can be maintained without impact to these two units, including snowplowing.

The Planning Commission reviewed the application and held a public hearing. Public comments questioned additional public expense to maintain the roadway and the impact there would be on nearby structures in Hill Court. The Planning Commission recommends Council approval on a vote of 5 to 1.

Staff is recommending approval with the attached conditions. A parking agreement is required to show that parking must comply with requirements for public roadways. There is driveway space for overnight parking.

Planning Commissioner Proud stated that although some property owners have concerns, he trusts City staff will move forward recognizing those concerns. He personally supports approval of the request.

Mr. Joe McGregor, 996 Hill Court, stated that his concern is that his property is less than 10 feet from the new right-of-way. There is also a tree that extends over the roadway plus two other trees that are quite close to it. The reason he bought his place is because it is on a private roadway. He would prefer to keep a private roadway to keep public equipment off the street. Also his patio provides an access to the road way, which will be difficult if snow is piled up from

snow plowing. He requested that snow be plowed to the other side of the roadway because his unit will be the most negatively impacted.

Mayor Martin noted that staff has indicated that maintenance of the roadway can be done without a negative impact to Mr. McGregor's property. Public Works Director Maloney added that he is confident that everything will be done to maintain the road using similar equipment that has been used previously without a negative impact. Mr. McGregor requested the Council to vote as if his property were their own.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to approve the Preliminary Plat, Serene Hills Estate Plat Five, and the amended Planned Unit Development, submitted by Lexington Estates II Townhome Association, Inc. converting the private street Royal Court to a public road subject to the following:

1. Approval of the preliminary plat and amendment to the PUD shall expire within one year of the date approved by the City Council.
2. The final right-of-way design for Royal Court is subject to review and approval of the Public Works Director.
3. Execution of an agreement between the City and Association stating the Association will comply with the City parking regulations for the proposed public right-of-way, including the parking areas.

This approval is based on the following findings:

1. The use and development was approved as a PUD, Planned Unit Development with an underlying zoning of R-2, Attached Residential.
2. The use and proposed alterations are consistent with the planned land use, goals and policies of the Comprehensive Plan, Chapter 4, Land Use and the housing goals in Chapter 7, Housing.
3. The conversion of the street to a public roadway is consistent with the City's current subdivision standards that require all streets to be publicly dedicated rights of way.
4. Royal Court complies with the established criteria regarding the conversion of private streets to public streets.

Discussion:

Councilmember Withhart asked if the savings to the townhome association from not having to maintain the street will be reinvested in the townhome property, or if there will be a reduction of dues. He would not support this action if there is a reduction of dues.

Mayor Martin stated that decision is outside the Council's jurisdiction.

Mr. Dale Birkland, Chair of Board of Directors of Townhome Association, stated that he lives directly across from Mr. McGregor and most snow is plowed into the public park area. As to use of the savings, discussion has focused on enhanced landscaping. There are good uses for the saved dollars, and no reduction in dues is foreseen.

Councilmember Wickstrom asked if an addition could be made to the City's public street conversion policy that would require adequate reserves be maintained for property maintenance.

Mayor Martin stated that discussion can be considered by the Council. She added that sometimes decisions are made for the good of the entire community.

Councilmember Quigley stated that in a recent survey of townhouse associations regarding financial benefits, few responded. It would be difficult to reach an agreement with them on adequate reserves when there is so little response.

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Johnson, Martin
 Nays: None

AUTHORIZE EXECUTION OF PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES--WATER TREATMENT PLANT, CP14-02

Presentation by Public Works Director Mark Maloney

There is an identified need to remove iron and manganese from the Shoreview water supply. The City's Capital Improvement Program (CIP) shows a scheduled plan for the design and construction of a Water Treatment Plant over the period of 2014 to 2016.

A Preliminary Design Report for a Water Treatment Plant was authorized by the Council December 16, 2013, and presented to Councilmembers at the September 8, 2014 workshop meeting. The report reviewed exterior water supply infrastructure, evaluated treatment alternatives and provided recommendations that include:

- Use of gravity filtration with raw water aeration to remove iron and manganese--an aeration system positions the City well for further standards that may be imposed;
- Construct a raw water pipeline from the remote Well No. 6 to the Water Treatment Plant; and
- Minor improvements to water supply wells, such as pump changes to pump to the Water Treatment Plant.
- The total estimated project cost is \$11 million.

The next step is to design a Water Treatment Plant. Staff is recommending a Professional Services Agreement with Advanced Engineering & Environmental Services, Inc. (AE2S), the firm that produced the Preliminary Design Report. AE2S is well recognized for similar work done in Minnetonka, Eden Prairie, St. Cloud and Chanhassen. Full engineering and architectural services through the design and bidding phases of the project would be \$941,200. The Agreement would then be amended for construction phase services for the project. These costs are well within the industry standard of between 10% to 15% of the value of the project.

The project schedule anticipated is as follows:

Project Design

November 2014 - March 2015

Approve plans and specifications and authorize bidding	April 2015
Contract Award	May 2015
Construction	June 2015 - November 2016
Start-up of Water Treatment Plant	November 2016

Staff is recommending approval of the proposed Professional Services Agreement with AE2S.

Councilmember Wickstrom asked if there would be a period of time when water is shut off during construction. Mr. Maloney answered, no. That is why the project will take such a long time.

Councilmember Quigley asked if there are any new water standards that are anticipated. Mr. Maloney responded that two considerations he has been hearing about is arsenic and radon. Radon is not in the water but is a condition that can be an issue for the Water Treatment Plant itself.

Councilmember Withhart stated that he is pleased that the recommendation is for the more natural aeration method rather than treating the water with more chemicals.

Mayor Martin asked if the need for water softening would be eliminated. Mr. Maloney stated that there will be no impact on the hardness of the water. Softening water is not part of the budget.

MOTION: by Councilmember Withhart, seconded by Councilmember Johnson to adopt Resolution No. 14-100 authorizing execution of a Professional Services Agreement with Advanced Engineering and Environmental Services, Inc. (AE2S) for engineering design services relating to Water System Improvements--Water Treatment Plant, City Project #14-02.

ROLL CALL: Ayes: Wickstrom, Withhart, Johnson, Quigley, Martin
Nays: None

APPROVAL OF CABLE TELEVISION FRANCHISE ORDINANCE AMENDMENT AND GRANTING CONSENT TO THE TRANSFER OF CONTROL OF THE CABLE TELEVISION FRANCHISE AND SYSTEM

Presentation by City Manager Schwerm

The City belongs to the North Suburban Communications Commission (NSCC) which administers the City's franchise agreement for Cable television. The City has notified the NSCC of its intent to withdraw its membership at the end of the year. However, the NSCC continues to negotiate with Comcast and did reach agreement on a number of cable franchise issues contingent on all members' approval. The agreement would do the following: 1) extend the current Cable TV franchise agreement for two years; and 2) approve the pending Cable transfer from Comcast to Great Land Connections

The agreement extends the current agreement through December 2016. The Memorandum of Understanding (MOU) is also extended through December 2016. This is important because it provides the PEG (public education and government) access fees for the next two years, which could mean as much as \$3 million coming to the NSCC to continue operations. The franchise agreement and MOU would roll over should a cable franchise is not negotiated in time.

Prior negotiations were in a formal process with Comcast with administrative hearings scheduled. All hearings have been suspended but could be rescheduled in July of next year. However, there is a commitment by NSCC and Comcast to meet monthly to continue negotiations. In addition, the NSCC will receive one HD channel and be included in the electronic programming guide that is published by Comcast. There is a refund of approximately \$50,000 to subscribers that is occurring. Violation notices to Comcast from the NSCC are being withdrawn. Another benefit of the extension is that the I-Net among cities will remain, although Comcast is not required to extend or broaden it.

As part of this approval the City will consent to the transfer application submitted by Comcast to Greatland Connections. This is part of the merger with Time Warner and Comcast divesting itself from the Twin Cities market.

Staff is recommending approval of the extended agreement and an amended ordinance.

Mayor Martin asked how this action relates to the next item on the agenda. Mr. Schwerm stated that the City would be covered under both the extension and the Standstill Agreement. The Standstill Agreement acknowledges the negotiations the City has undertaken on its own with Comcast. Most of the items negotiated under the Standstill Agreement are covered under this extension.

Councilmember Quigley asked for clarification of the performance guaranty. **Mr. Mike Bradley**, Attorney with Bradley, Hagen and Gullickson, Attorney for NSCC, stated that the Performance Guaranty means that the corporate parent of the franchisee (Midwest Cable d/b/a as Greatland Connections) will be guarantying performance under the franchise. The second guaranty is that rates will not increase as a result of the transfer.

Councilmember Wickstrom thanked Mr. Bradley for his hard work in negotiating a good package agreement.

Mr. Martin Lund, Manager of Government Affairs, Comcast, stated that Comcast is in support of these actions.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve Resolution 14-98, Conditionally Granting the Consent to the Transfer of Control of the Cable Television Franchise and Cable Television System from Comcast Corporation to Greatland Connections, Inc.

ROLL CALL: Ayes: Withhart, Johnson, Quigley, Wickstrom, Martin

Nays: None

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve an amendment to the Cable Television Franchise Ordinance Number 690 extending the existing franchise through December 31, 2016.

ROLL CALL: Ayes: Johnson, Quigley, Wickstrom, Withhart, Martin
Nays: None

Mayor Martin stated that these actions allow the City to continue membership with the NSCC until December 31, 2014. Also, the City is able to pursue negotiations on its own.

AUTHORIZING THE MAYOR AND CITY MANAGER TO ENTER INTO STANDSTILL AGREEMENT TO PURSUE INFORMAL FRANCHISE RENEWAL WITH COMCAST OF MINNESOTA, INC.

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to authorize the Mayor and City Manager to enter into a Standstill Agreement to pursue informal franchise renewal with Comcast of Minnesota, Inc.

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Johnson, Martin
Nays: Non

ADJOURNMENT

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to adjourn the meeting at 8:20 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 17TH DAY OF NOVEMBER 2014.

Terry Schwerm
City Manager